

U.S. Army Corps of Engineers



YOUR BENEFITS

GROUP LIFE INSURANCE. The Federal Employees Group Life Insurance (FEGLI) Program provides group TERM life insurance and accidental death and dismemberment insurance for permanent employees at rates competitive with private policies. FEGLI builds no cash value, loan, or paid-up or extended insurance equities. It is immediate protection against financial hardship or loss by death. The plan consists of a basic rate of insurance (approximately the amount of your salary) plus three options. To elect one or more of the options you must enroll in the basic insurance. Participation is voluntary; however, you are automatically covered for basic life insurance unless waived. The amount of your insurance changes if your annual basic pay increases or decreases by \$1,000.00 or more. The new amount of insurance and the new premium are effective on the date the pay change occurs. You should have been provided with a life insurance election form and a FEGLI Brochure at the time you entered on duty (in-processing). Keep it for future reference, whether or not you enroll. Part-time employees whose appointments are not limited to a year or less and who do not have intermittent appointments (non-full time appointments without a prearranged, regularly scheduled tour of duty) are generally eligible to enroll.

To enroll or waive coverage, you must complete the Life Insurance Election Form and send it to the Civilian Personnel Advisory Center (CPAC) within 31 days after you enter on duty. Refer to the Life Insurance Election Form instructions and FEGLI brochure for this information.

The Civilian Personnel Advisory Center (CPAC) will furnish specific information, upon request, regarding eligibility in individual cases, coverage during periods of nonpay status, continuance of insurance after retirement, or conversion after separation from federal service.

HEALTH INSURANCE. Employees are offered an opportunity to acquire for themselves and their family's protection against the cost of health care services, including those involved in prolonged illness or severe accidents. Benefits also may be retained after retirement, if they retire under certain conditions. The government contributes to the cost of the plan with employees paying their share through payroll deduction. Employees serving in their first year under a temporary appointment, seasonal employees, intermittent employees or those who are excluded by law or regulation are ineligible for health insurance.

At the time you entered on duty (during in-processing), you should have received an election form and several pamphlets describing the differences in coverage among the plans available to you and the costs of the various options in each plan. Annual "open season" is usually held in the fall, during which time employees desiring to enroll or change plans or options can do so. Employees may cancel their coverage or change from family to self only at any time.

Employees on part-time tours of duty pay their share of the health insurance plus pro-rated share of the government's (e.g., employee working 32 hours a week pays 1/5 of the government cost).

Effect of Nonpay Status on Health Insurance. If you are in a nonpay status for one complete pay period, you must pay your share of the premiums. You may pay as you go or pay it when you return to duty.

RETIREMENT BENEFITS. Depending on when they entered government service, civilian employees are covered by one of the following retirement plans:

Civil Service Retirement System (CSRS). The Civil Service Retirement System applies to employees hired prior to January 1, 1984 and to employees who have had less than a 365 day break in service since then. CSRS is a contributory retirement plan. You and the Government each contribute to the CSRS and Disability Fund, from which benefits are paid. Money accumulated in the Fund is invested by the United States Treasury in interest bearing Government Securities and the interest also becomes a part of the Fund. You are guaranteed a return of an amount that is at least equal to your contributions. This return may be in the form of annuity payments or as a lump sum refund to you or your survivors. CSRS employees may qualify for Social Security benefits which provides retirement, survivors, and Medicare benefits. For information on Social Security eligibility, contact the Civilian Personnel Advisory Center (CPAC). Voluntary Contributions (for CSRS employees only) are optional payments, made in addition to the regular retirement reductions from salary, used to purchase additional annuity which is added to the regular annuity you would normally receive upon retirement. Voluntary contributions, plus earned interest, can be refunded at anytime before an employee retires and receives an additional annuity.

Federal Employees Retirement System (FERS). The Federal Employees Retirement System applies to employees hired after December 31, 1983, but may be available to CSRS participants under certain guidelines. FERS is a three tiered retirement plan. The three components are: (1) Social Security Benefits (includes Old Age, Survivors, and Disability Insurance - OASDI; and Medicare); (2) Basic Benefit Plan (provides an annuity, survivors benefits, and disability benefits), and (3) Thrift Savings Plan. You pay full Social Security taxes and a small contribution to the Basic Benefit Plan. In addition, you are able to make tax deferred contributions to the Thrift Savings Plan and a portion will be matched by the government. The three components of FERS work together to give you a strong financial foundation for your retirement years. During your entrance on duty (in-processing) you should have received a FERS information booklet which provides more information on this topic.

Thrift Savings Plan. The Thrift Savings Plan (TSP) is a long-term retirement savings and investment plan for Federal employees. It offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans. Because TSP is a plan for long-term retirement savings, you cannot, by law, withdraw your TSP account while you are still employed by the Federal government. Through the TSP loan program, you can borrow from your own contributions and earnings on them for general purposes and for purchase of a primary residence. When you leave Federal service, you will receive a withdrawal package that explains your options for getting your money out.

FEGLI and Retirement - Basic Life Insurance. If you retire and have held your insurance for the preceding 5 years, (or from your earliest opportunity, if covered less than 5 years), you can continue Basic Life Insurance into retirement. The cost of post-retirement coverage depends upon the level of protection you want to retain after you reach age 65 (or when you retire, if later). At the time you retire, you choose one of the three levels: 75%, 50% or no reduction.

Remember that in contrast to our FEGLI program, you must generally prove medical insurability in order to acquire private life insurance coverage. Both the likelihood that you will become uninsurable and the cost of private life insurance coverage increase with age. Thus, if you need more life insurance protection after age 65 than is provided through the 75% reduction, FEGLI provides you an opportunity to acquire additional life insurance protection after age 65 without proof of insurability.

FEGLI and Retirement - Optional Insurance. The optional insurance may also be carried into retirement, if you meet the eligibility conditions. Provisions for this are described in great detail on the SF-2818, "Election of Post-Retirement Basic Life Insurance Coverage", which will be provided to you at that time.

WORKER'S COMPENSATION. The Federal Employees' Compensation Act (FECA) provides for medical care, disability compensation and vocational rehabilitation to civilian employees of the United States for injury or occupational disease sustained in the performance of their duties. Benefits cannot be paid if misconduct or intoxication causes the injury or disease.

DEATH BENEFITS. The following are benefits that may be due to your family and matters your family should be aware of in the event of your death while in the Federal service.

Lump-Sum Payment for Salary and Annual Leave. Unpaid salary and annual leave will be paid to your designated beneficiary.

Civil Service Retirement Benefits. A survivor annuity and any voluntary contribution annuity is payable to a spouse and/or dependent children if the employee had completed 18 months of civilian service and died while covered by CSRS. Should death occur before completion of 18 months of civilian service, or if there is no widow (or widower) or child entitled to an annuity, a lump sum representing the amount paid into the fund, plus any accrued interest, will be paid to your beneficiary. If there is no designated beneficiary, payment will be made in the order of precedence listed below under Designation of Beneficiary.

FERS Retirement Benefit. Because of the many variables in death benefits for FERS employees, information should be obtained from the Civilian Personnel Advisory Center (CPAC). If at least 18 months of service have been completed and there is a survivor entitled to annuity, an annuity will be payable to the widow (or widower) and each unmarried child under 18 years of age.

Life Insurance. If you are subject to the Federal Employees' Group Life Insurance at the time of death, the amount of your insurance coverage (double in case of accidental death) is payable to your beneficiary(ies) or in the order of precedence listed below under Designation of Beneficiary if there is no beneficiary designated.

Health Insurance Coverage. If you are subject to family coverage under the Federal Employees' Health Benefits program at the time of death, coverage will continue for your family provided that at least one family member is entitled to an annuity.

Worker's Compensation. The Federal Employees' Compensation Act (FECA) provides for the

payment of benefits (partial funeral expenses and survivors compensation) to dependents if an injury or occupational disease sustained in the performance of their duties causes an employee's death. Benefits cannot be paid if misconduct or intoxication causes the death. In addition, you cannot receive both a CSRS or FERS retirement death benefit and a FECA death benefit (your survivors will choose depending on which provides the greater benefit).

SEVERANCE PAY. Generally, permanent employees who currently have been employed continuously for the last 12 months and who lose their jobs through no fault of their own are entitled to this separation pay. Be aware that there are some limitations on entitlement to severance pay.

DESIGNATION OF BENEFICIARY. The laws regarding the Thrift Savings Plan, Civil Service Retirement, Federal Employees' Retirement System, Federal Employees' Group Life Insurance, and any unpaid compensation provide that unless other designations have been made, the benefits due survivors of deceased federal employees will be paid in the order of precedence indicated below:

- To the widow or widower.
- If neither of the above, to the child or children in equal shares, with the share of any deceased child distributed among the descendants of that child.
- If none of the above, to the parents in equal shares or the entire amount to the surviving parent.
- If none of the above, to the executor or administrator of the estate of the deceased.
- If none of the above, to the next of kin under the laws of the state in which the descendant was domiciled.

If this order of precedence is not satisfactory or if you wish to name some other person or persons, you can obtain the proper forms for this purpose from your Civilian Personnel Advisory Center (CPAC).